

## MID-CAP VALUE FUND

Quarterly Fund Update as of 9/30/2009

| OBJECTIVE  | INVESTMENT STRATEGY   | BENEFITS AND RISKS   | INVESTOR PROFILE   |
|--|---|--|--|
| <p>The fund seeks long-term growth of capital by investing primarily in the common stocks of medium-sized companies that appear to be undervalued.</p> <div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p>Not FDIC-insured. May lose value. No bank guarantee.</p> </div> | <ul style="list-style-type: none"> <li>• The fund will invest at least 80% of its net assets in companies whose market capitalization falls within the range of companies in the S&amp;P MidCap 400 Index or the Russell Midcap Value Index.</li> <li>• The fund focuses on companies with the following:               <ul style="list-style-type: none"> <li>– Attractive operating margins</li> <li>– Sound balance sheet and financial management</li> <li>– Stock ownership by management</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Mid-cap companies may be more responsive and better able to adapt to the changing needs of their markets than large companies.</li> <li>• Medium-sized companies tend to have greater resources and, therefore, represent less risk than small companies.</li> <li>• The stocks of mid-cap companies entail greater risk and are usually more volatile than the shares of large companies.</li> </ul> | <ul style="list-style-type: none"> <li>• For investors seeking a moderately aggressive approach to building capital who are willing to incur the risks associated with investments in mid-cap stocks.</li> </ul> |
|  |   |  | INVESTMENT STYLE   |
|  |   |  | Mid-Cap Value  |

## FUND MANAGEMENT



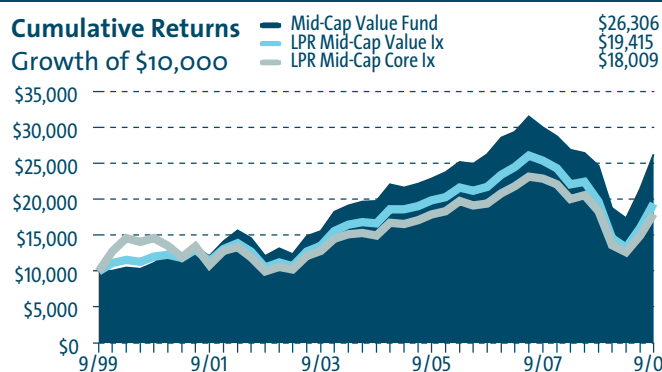
David J. Wallack is a portfolio manager and a vice president of T. Rowe Price Group, Inc. He is chairman of the Investment Advisory Committee for the Mid-Cap Value Fund and is a member of the committee for the New Era Fund. Prior to joining the firm in 1990, he was employed by the private banking group at Citibank. Mr. Wallack earned a B.A. in history from Connecticut College and an M.B.A. from Carnegie Mellon University.

## KEY FUND DATA

|   |               |
|---|---------------|
| Symbol:   | TRMCX         |
| CUSIP:  | 77957Y106     |
| Sales Charge:   | None          |
| Redemption Fee:   | None          |
| 12b-1 Fee:  | None          |
| Assets (millions): <sup>1</sup>                               | \$6,818.3     |
| Inception Date:   | June 28, 1996 |
| Expense Ratio: <sup>2</sup>                                   | 0.83%         |
| Lipper Mid-Cap Core Funds Average Expense Ratio: <sup>3</sup> | 1.36%         |
| Fund Manager Tenure: <sup>4</sup>                             | 8 years       |
| Morningstar Mid-Cap Value Category Average:                   | 4 years       |
| Portfolio Holdings Turnover:                                  | 67%           |
| Morningstar Mid-Cap Value Category Average:                   | 91%           |

- <sup>1</sup> Applies to all share classes.
- <sup>2</sup> As of 12/31/2008.
- <sup>3</sup> Lipper expenses are based on fiscal year-end data available as of September 30, 2009.
- <sup>4</sup> Number of years managing the fund.

## RETURNS



## Average Annual Returns

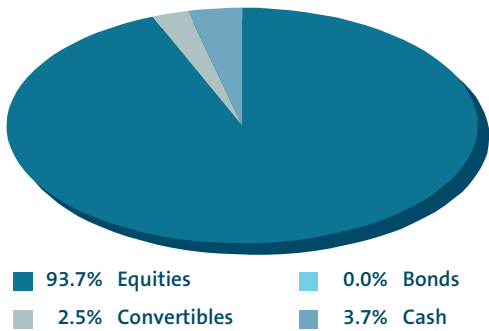
|              | Mid-Cap Value Fund | LPR Mid-Cap Value Ix | LPR Mid-Cap Core Ix |
|--------------|--------------------|----------------------|---------------------|
| Year-to-Date | 39.59%             | 32.33%               | 32.13%              |
| 1 Year       | 6.45               | -1.48                | -2.06               |
| 3 Years      | 0.00               | -3.72                | -2.55               |
| 5 Years      | 5.82               | 3.06                 | 3.69                |
| 10 Years     | 10.16              | 6.86                 | 6.06                |

Current performance may be higher or lower than the quoted past performance, which cannot guarantee future results. Share price, principal value, and return will vary, and you may have a gain or loss when you sell your shares. The performance information shown does not reflect the deduction of any redemption fee; if it did, the performance would be lower. To obtain the most recent month-end performance, please visit our Web site or contact a T. Rowe Price representative at 1-877-804-2315.

Average annual total return figures include changes in principal value, reinvested dividends, and capital gain distributions.

# MID-CAP VALUE FUND

## ASSET ALLOCATION



## SECTOR DIVERSIFICATION

|                                 |       |
|---------------------------------|-------|
| Financials                      | 20.4% |
| Consumer Discretionary          | 15.7  |
| Information Technology          | 11.8  |
| Utilities                       | 9.2   |
| Industrials & Business Services | 8.8   |
| Energy                          | 8.5   |
| Consumer Staples                | 7.2   |
| Materials                       | 6.8   |
| Health Care                     | 6.7   |
| Telecommunication Services      | 1.1   |

## PORTFOLIO CHARACTERISTICS

|   | Fund    | S&P MidCap 400 Index |
|---|---------|----------------------|
| Price to Earnings*<br>(12 Months Forward)           | 17.8X   | 17.9X                |
| Price to Book*                                      | 1.9X    | 2.1X                 |
| Return on Equity*<br>(Last 12 Months)               | 9.5%    | 11.8%                |
| Investment-Weighted Median Market Cap<br>(Millions) | \$4,908 | \$2,717              |

\* Investment weighted median

## TOP TEN HOLDINGS

|  |       |
|--|-------|
| Discover Financial<br><i>Consumer Finance</i>              | 2.3%  |
| Southwest Airlines<br><i>Airlines</i>                      | 1.9   |
| Weyerhaeuser<br><i>Paper &amp; Forest Products</i>         | 1.9   |
| Cimarex Energy<br><i>Oil, Gas &amp; Consumable Fuels</i>   | 1.8   |
| Healthsouth<br><i>Health Care Providers &amp; Services</i> | 1.7   |
| Nexen<br><i>Oil, Gas &amp; Consumable Fuels</i>            | 1.6   |
| The Gap Inc<br><i>Specialty Retail</i>                     | 1.5   |
| Molex<br><i>Electronic Equip, Instr &amp; Cmpts</i>        | 1.5   |
| Manpower<br><i>Professional Services</i>                   | 1.4   |
| Meredith<br><i>Media</i>                                   | 1.4   |
| Percent of Total Net Assets                                | 16.9% |
| Total Portfolio Holdings                                   | 141   |

Source for all industry classifications: Standard & Poor's.

## RISK MEASURES (5 YEARS)

|                           | Fund   | S&P MidCap 400 Index |
|---------------------------|--------|----------------------|
| Annualized Std. Deviation | 17.91% | 19.27%               |
| R-squared                 | 0.94   | 1.00                 |
| Beta                      | 0.90   | 1.00                 |
| Alpha                     | 1.29%  | 0.00%                |
| Information Ratio         | 0.28   | 0.00                 |
| Sharpe Ratio              | 0.16   | 0.08                 |
| Tracking Error            | 4.94   | 0.00                 |

Figures are calculated using monthly data and are net of fees.

## About T. Rowe Price

- Founded in 1937
- Commitment to fundamental in-house research with 152 dedicated analysts
- Portfolio managers have an average tenure of 14 years with the company
- Strict adherence to investment style
- Solid performance with a risk-aware investment approach
- Experienced in international investing with offices in London, Hong Kong, Singapore, Buenos Aires, and Baltimore

## Definitions

**Alpha** — The premium an investment earned above a set benchmark, adjusted for risk. An alpha of 1.0 means a fund has outperformed its benchmark on a risk adjusted basis by 1%. A negative alpha of 1.0 means a fund has underperformed its benchmark on a risk adjusted basis by 1%.

**Annualized Standard Deviation** — This indicates the volatility of a portfolio's total returns as measured against its mean performance. Unlike alpha and beta, which are relative to a benchmark index, standard deviation is an absolute measure. In general, the higher the standard deviation, the greater the volatility or risk.

**Beta** — A measure of market risk of an investment option that shows how responsive the investment is to a given market index, such as the Standard & Poor's 500 Index. By definition, the beta of the benchmark is 1.00. An investment with a beta of 1.10 is expected to perform 10% better than the index in up markets and 10% worse in down markets. Usually, higher betas represent riskier investments.

**Information Ratio** — A measure of the significance or quality of alpha. A larger number is better — either a very strong alpha score or a consistent alpha with low standard deviation.

**R-squared** — Measures the percentage of a fund's movement that is explained by movements in the benchmark index. R-squared helps to indicate the accuracy of a fund's alpha and beta.

**Sharpe Ratio** — A measure of the risk-adjusted return of a portfolio. Generally, the larger the number, the better the portfolio's historical risk-adjusted return.

**Tracking Error** — The standard deviation of monthly excess returns of the portfolio over the benchmark.

**Price-to-Book Ratio** — A valuation measure that compares a stock's market price to its book value, i.e., the company's net worth divided by the number of outstanding shares.

**Price-to-Earnings Ratio** — The price-to-earnings ratio shows the "multiple" of earnings at which a stock is selling. It is calculated by dividing a stock's current price by its current earnings per share. A high multiple means that investors are optimistic about future growth and have bid up the stock's price.

**Return on Equity** — A measure of how well a company used reinvested earnings to generate additional earnings, equal to a fiscal year's after-tax income (after preferred stock dividends but before common stock dividends) divided by shareholders' equity.

Certain numbers in this report may not equal stated totals due to rounding.

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